

Message Text

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 2842

C O N F I D E N T I A L CARACAS 4362

LIMDIS

E.O. 11652: GDS

TAGS: EINV, PINS, VE

SUBJECT: OWENS-ILLINOIS NATIONALIZATION: DISCUSSION WITH
FOREIGN MINISTER

REF: CARACAS 4222

1. I DISCUSSED THIS ISSUE IN DETAIL WITH THE FOREIGN MINISTER DURING A LENGTHY MEETING ON APRIL 13. I TOLD HIM WE DID NOT CONSIDER THE EXPRESSION OF U.S. POLICY ON THE USE OF NATIONALIZATION OR FORCED-SALE AS A "CRIMINAL SANCTION" TO BE INTERVENTION IN VENEZUELA'S INTERNAL AFFAIRS. I ALSO EXPRESSED MY PERSONAL DISAPPOINTMENT THAT THE GOV HAD CHOSEN TO COMMIT ITS OBJECTIONS TO WRITING, MY EXPERIENCE BEING THAT THESE MATTERS ARE BEST HANDLED ORALLY BETWEEN FRIENDLY GOVERNMENTS.

2. ESCOVAR SALOM SAID THE PRESIDENT HAD DETERMINED THE NOTE TO BE NECESSARY AND HAD PERSONALLY DRAFTED THE VIGOROUS LANGUAGE EMPLOYED IN THE OPENING PARAGRAPH. THE MINISTER DESCRIBED THE OWENS-ILLINOIS CASE AS "ISOLATED" AND UNIQUE, NOT TO BE TAKEN AS INDICATIVE OF GOV POLICY OR ATTITUDES TOWARD U.S. INVESTMENT HERE. I REPLIED THAT WE COULD NOT VIEW THIS DEVELOPMENT IN THAT LIGHT GIVEN OUR CONCERN FOR THE PRECEDENTIAL ASPECT IN VENEZUELA AND AS IT MIGHT BEAR ON U.S. INVESTMENT AROUND THE WORLD.

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3. I EMPHASIZED THAT THERE COULD BE NO QUARREL BETWEEN THE TWO GOVERNMENTS ON THE NECESSITY FOR A FIRM POLICY IN MEETING TERRORISM AND OBSERVED THAT THE GOV NOTE DID NOT SEEM TO TAKE ACCOUNT OF OUR REPEATED STATEMENTS TO THAT EFFECT. I POINTED OUT ONCE MORE THAT O-I DID NOT CONSIDER ITSELF TO HAVE BEEN ADEQUATELY INFORMED IN ADVANCE ON THE REACTION TO BE EXPECTED IF THE DECISION WERE TAKEN TO PUBLISH ABORAD. ESCOVAR SAID HE UNDERSTOOD FROM MINISTER OF STATE LAURIA THAT THE COMPANY HAD ADOPTED A "FRIENDLY" AND FORTHCOMING ATTITUDE IN ITS INITIAL CONVERSATIONS WITH THE GOV ON THE SALE OF THE SUBSIDIARY. I SAID I COULD NOT SPEAK FOR O-I BUT WAS INCLINED TO DOUBT ON THE BASIS OF WHAT WE WERE HEARING FROM WASHINGTON THAT THE COMPANY WAS REACTING TO THE SITUATION IN A PARTICULARLY FRIENDLY FASHION.

4. THE MINISTER AND I AGREED THAT A SOLUTION SHOULD BE SOUGHT THAT WOULD PREVENT CONFRONTATION. HE COMMENTED THAT THOSE WORKING AT THE "TECHNICAL LEVEL" CAN BE OVERLY RIGID AND ASKED ME TO LET HIM KNOW PERSONALLY IF WE HAD ANY IDEAS. I SAID WE WOULD STAY IN TOUCH.
SHLAUDEMAN

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